



STATE OF ARKANSAS

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Term Contract

Vendor No. 100039868
Contact FLYNN REVELEY-XT3050
Your reference

UNISOURCE INC
5800 LINDSEY RD
LITTLE ROCK AR 72206

Contract No. 4600005418
Date 10/21/2003

Contact Beth Mullins
Telephone 501-324-9315
Fax 501-324-9311

Our ref. ST
Incoterms FOB
DESTINATION

Send Invoice To:

Ordering agency/entity
per purchase order

Ship To:

Reference Plant
AR

Valid from: 05/01/2003
Valid to: 04/30/2004

REFERENCE: SP-03-0308, All State Contract for Xerographic/PrintShop Paper

This contract award covers Section I- Xerographic paper (Items 1-8) and Section III, Offsets (Items 13-26) ONLY.

Purchase orders for Sections I and III ONLY should be FAXED TO 1-800-488-8504 Attn: Mike Freeman or
MAILED TO: Unisource Customer Service, Attn: Mike Freeman, P.O. Box 910303, Dallas, TX 75391.
The phone number is: 1-800-897-1174, Ext. 4547.

Item	Material/Description	Target Qty	UM	Unit Price	Amount
0010	10004979 PAPER,XEROGRAPHIC,WHT,20#,8.5"X 11"RECYC	0	Carton	20.49	
0020	10004980 PAPER,XEROGRAPHIC,WHT,20#,8.5"X14"RECYCL	0	Carton	26.09	
0030	10007811 PAPER,VIRGIN,20#,WHITE,8.5"X11"	0	Carton	19.27	
0040	10007812 PAPER,VIRGIN,XERO.20#,WHITE,8.5"X14"	0	Carton	24.54	
0050	10007827 PAPER,RECYCLE,XERO.20#,GREEN,8.5"X11"	0	Carton	26.14	

GENERAL CONDITIONS AND INSTRUCTIONS TO VENDOR:

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Purchasing Official/Fiscal Officer

10-22-03
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Item	Material/Description	Target Qty	UM	Unit Price	Amount
0060	10007829 PAPER,RECYCLE,XERO.20#,PINK,8.5"X11"	0	Carton	26.14	
0070	10102756 PAPER,RECYCLE,XERO.20#,CANARY,8.5"X11"	0	Carton	26.14	
0080	10102757 PAPER,RECYCLE,XERO.20#,SALMON,8.5"X11"	0	Carton	26.14	
0090	10102758 PAPER,RECYCLE,XERO.20#,ORCHID,8.5"X11"	0	Carton	26.14	
0100	10102759 PAPER,RECYCLE,XERO.20#,IVORY,8.5"X11"	0	Carton	26.14	
0110	10102770 PAPER,RECYCLE,XERO.20#,BUFF,8.5"X11"	0	Carton	26.14	
0120	10102771 PAPER,RECYCLE,XERO.20#,TAN,8.5"X11"	0	Carton	26.14	
0130	10007823 PAPER,RECYCLE,XERO.20#,BLUE,8.5"X11"	0	Carton	26.14	
0140	10007825 PAPER,RECYCLE,XERO.20#,GOLD,8.5"X11"	0	Carton	26.14	
0150	10007826 PAPER,RECYCLE,XERO.20#,GRAY,8.5"X11"	0	Carton	26.14	
0160	10118592 PAPER,RECYCLE,XERO.20#,CHERRY,8.5"X11"	0	Carton	26.14	
0170	10007845 PAPER,RECYCLE,XERO.20#,GREEN,8.5"X14"	0	Carton	33.24	
0180	10007847 PAPER,RECYCLE,XERO.20#,PINK,8.5"X14"	0	Carton	33.24	
0190	10102778 PAPER,RECYCLE,XERO.20#,CANARY,8.5"X14"	0	Carton	33.24	

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Item	Material/Description	Target Qty	UM	Unit Price	Amount
0200	10102779 PAPER,RECYCLE,XERO.20#,SALMON,8.5"X14"	0	Carton	33.24	
0210	10102790 PAPER,RECYCLE,XERO.20#,ORCHID,8.5"X14"	0	Carton	33.24	
0220	10102791 PAPER,RECYCLE,XERO.20#,IVORY,8.5"X14"	0	Carton	33.24	
0230	10102792 PAPER,RECYCLE,XERO.20#,BUFF,8.5"X14"	0	Carton	33.24	
0240	10102793 PAPER,RECYCLE,XERO.20#,TAN,8.5"X14"	0	Carton	33.24	
0250	10007841 PAPER,RECYCLE,XERO.20#,BLUE,8.5"X14"	0	Carton	33.24	
0260	10007843 PAPER,RECYCLE,XERO.20#,GOLD,8.5"X14"	0	Carton	33.24	
0270	10007844 PAPER,RECYCLE,XERO.20#,GRAY,8.5"X14"	0	Carton	33.24	
0280	10118632 PAPER,RECYCLE,XERO.20#,CHERRY,8.5"X14"	0	Ream, 500	33.24	
0290	10004981 PAPER,XEROGRAPHIC,WHT,20#,8.5"X11"3HOLE	0	Carton	21.12	
0300	10004982 PAPER,VIRGIN,XEROGRAPHIC,11"X17",WHT	0	Carton	19.27	
0310	10007851 PAPER,RECYCLED,WHT OFFSET,17.5"X22.5"50#	0	Thousand	20.28	
0320	10007852 PAPER,RECYCLED,WHT OFFSET,8.5"X11"60#	0	Thousand	5.65	
0330	10007853 PAPER,RECYCLED,WHT OFFSET,11"X17"60#	0	each per /1,000	11.30	

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Item	Material/Description	Target Qty	UM	Unit Price	Amount
0340	10007854 PAPER,RECYCLED,WHT OFFSET,23"X35"60#	0	Thousand	48.64	
0350	10007855 PAPER,RECYCLED,WHT OFFSET,8.5"X11"70#	0	Thousand	6.64	
0360	10007856 PAPER,RECYCLED,WHT OFFSET,11"X17"70#	0	Thousand	13.27	
0370	10007857 PAPER,RECYCLED,WHT OFFSET,23"X35"70#	0	Thousand	56.80	
0380	10004986 PAPER,RECYCLED,BLUE OFFSET,8.5"X11"60#	0	Thousand	6.50	
0390	10004987 PAPER,RECYCLED,GREEN OFFSET,8.5"X11"60#	0	Thousand	6.50	
0400	10004988 PAPER,RECYCLED,CANARY OFFSET,8.5"X11"60#	0	Thousand	6.50	
0410	10004989 PAPER,RECYCLED,IVORY OFFSET,8.5"X11"60#	0	Thousand	6.50	
0420	10102678 PAPER,RECYCLED,GRAY OFFSET,8.5"X11"60#	0	Thousand	6.50	
0430	10004991 PAPER,RECYCLED,PINK OFFSET,8.5"X11"60#	0	Thousand	6.50	
0440	10118635 PAPER,RECYCLED,TAN OFFSET,8.5"X11"60#	0	Thousand	6.50	
0450	10004992 PAPER,RECYCLED,BLUE OFFSET,11"X17"60#	0	Thousand	13.25	
0460	10004993 PAPER,RECYCLED,GREEN OFFSET,11"X17"60#	0	Thousand	13.25	
0470	10004994 PAPER,RECYCLED,CANARY OFFSET,11"X17"60#	0	Thousand	13.25	

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Item	Material/Description	Target Qty	UM	Unit Price	Amount
0480	10004995 PAPER,RECYCLED,IVORY OFFSET,11"X17"60#	0	Thousand	13.25	
0490	10102679 PAPER,RECYCLED,GRAY OFFSET,11"X17"60#	0	Thousand	13.25	
0500	10004997 PAPER,RECYCLED,PINK OFFSET,11"X17"60#	0	Thousand	13.25	
0510	10118636 PAPER,RECYCLED,TAN OFFSET,11"X17"60#	0	Thousand	13.25	
0520	10004998 PAPER,RECYCLED,BLUE OFFSET,23"X35"60#	0	Thousand	63.18	
0530	10004999 PAPER,RECYCLED,GREEN OFFSET,23"X35"60#	0	Thousand	63.18	
0540	10005000 PAPER,RECYCLED,CANARY OFFSET,23"X35"60#	0	Thousand	63.18	
0550	10005001 PAPER,RECYCLED,IVORY OFFSET,23"X35"60#	0	Thousand	63.18	
0560	10102830 PAPER,RECYCLED,GRAY OFFSET,23"X35"60#	0	Thousand	63.18	
0570	10005003 PAPER,RECYCLED,PINK OFFSET,23"X35"60#	0	Thousand	63.18	
0580	10118637 PAPER,RECYCLED,TAN OFFSET,23"X35"60#	0	Thousand	63.18	
0590	10005004 PAPER,RECYCLED,BLUE OFFSET,8.5"X11"70#	0	Thousand	9.22	
0600	10005005 PAPER,RECYCLED,GREEN OFFSET,8.5"X11"70#	0	Thousand	9.22	
0610	10005006 PAPER,RECYCLED,CANARY OFFSET,8.5"X11"70#	0	Thousand	9.22	

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Item	Material/Description	Target Qty	UM	Unit Price	Amount
0620	10005007 PAPER,RECYCLED,IVORY OFFSET,8.5"X11"70#	0	Thousand	9.22	
0630	10102831 PAPER,RECYCLED,GRAY OFFSET,8.5"X11"70#	0	Thousand	9.22	
0640	10005009 PAPER,RECYCLED,PINK OFFSET,8.5"X11"70#	0	Thousand	9.22	
0650	10118638 PAPER,RECYCLED,TAN OFFSET,8.5"X11"70#	0	Thousand	9.22	
0660	10005010 PAPER,RECYCLED,BLUE OFFSET,8.5"X14"70#	0	Thousand	12.28	
0670	10005011 PAPER,RECYCLED,GREEN OFFSET,8.5"X14"70#	0	Thousand	12.28	
0680	10005012 PAPER,RECYCLED,CANARY OFFSET,8.5"X14"70#	0	Thousand	12.28	
0690	10005013 PAPER,RECYCLED,IVORY OFFSET,8.5"X14"70#	0	Thousand	12.28	
0700	10102832 PAPER,RECYCLED,GRAY OFFSET,8.5"X14"70#	0	Thousand	12.28	
0710	10005015 PAPER,RECYCLED,PINK OFFSET,8.5"X14"70#	0	each	12.28	
0720	10118639 PAPER,RECYCLED,TAN OFFSET,8.5"X14"70#	0	Thousand	12.28	
0730	10005016 PAPER,RECYCLED,BLUE OFFSET,11"X17"70#	0	Thousand	18.44	
0740	10005017 PAPER,RECYCLED,GREEN OFFSET,11"X17"70#	0	Thousand	18.44	
0750	10005018 PAPER,RECYCLED,CANARY OFFSET,11"X17"70#	0	Thousand	18.44	

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Item	Material/Description	Target Qty	UM	Unit Price	Amount
0760	10005019 PAPER,RECYCLED,IVORY OFFSET,11"X17"70#	0	Thousand	18.44	
0770	10102833 PAPER,RECYCLED,GRAY OFFSET,11"X17"70#	0	Thousand	18.44	
0780	10005021 PAPER,RECYCLED,PINK OFFSET,11"X17"70#	0	Thousand	18.44	
0790	10118640 PAPER,RECYCLED,TAN OFFSET,11"X17"70	0	Thousand	18.44	
0800	10005022 PAPER,RECYCLED,BLUE OFFSET,23"x35"70#	0	Thousand	73.50	
0810	10005023 PAPER,RECYCLED,GREEN OFFSET,23"x35"70#	0	Thousand	73.50	
0820	10005024 PAPER,RECYCLED,CANARY OFFSET,23"x35"70#	0	Thousand	73.50	
0830	10005025 PAPER,RECYCLED,IVORY OFFSET,23"x35"70#	0	Thousand	73.50	
0840	10102834 PAPER,RECYCLED,GRAY OFFSET,23"x35"70#	0	Thousand	73.50	
0850	10005027 PAPER,RECYCLED,PINK OFFSET,23"x35"70#	0	Thousand	73.50	
0860	10118641 PAPER,RECYCLED,TAN OFFSET,23"X35",70#	0	Thousand	73.50	

I. SPECIAL TERMS AND CONDITIONS

A. SCOPE:

This Invitation for Bid is issued to establish a TERM contract for All State Agencies and Cooperative Purchasing Program participants for xerographic paper and print shop paper. This contract will contain six sections: (1) Xerographic, virgin and recycled (2) Laser, 25% Rag Bond and Label Stock (3) Offsets, white and colors (4) Board Grades, including index, chipboard, cover and text, imitation parchment, vellum bristol, recycled cover and text (5) Carbonless paper, pre-collated sets, carbonless tag and padding

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compound, and (6) Coated Matte Cover and Text and Coated Gloss Cover and Offset.

Over 250 different State agencies, boards and commissions, and state supported colleges and universities may order copy paper and print shop papers from this contract. The contract is mandatory for State agencies if they can meet the minimum order requirements. This contract requires a vendor to deliver via a state-wide (Arkansas) freight network in order to adequately service this contract. More than half of State agency orders deliver in central Arkansas to the Little Rock area. In addition, this contract is open for orders by Cooperative Purchasing Program participants (school districts, counties, cities, municipalities) on a non-mandatory basis. Thus, the actual usage, particularly of Section I, Xerographic stock, is impossible to predict. The usage figures given in this contract are indicative of State agencies usage which is relatively constant annually.

The previous contract covered one year and was extended for an additional year spanning from May 1, 2001 through expiration on April 30, 2003. Five of the six sections (Sections I-V only) were extended for the second year.

Only Section I, Xerographic/Bond Papers, requires a performance bond from successful bidder before award. Each section will be awarded independently. Some items are to be bid virgin only, some recycled only and many may be bid offering both virgin and recycled stock. If a recycled sheet is approved, a 10% preference will be applied for that item. ON SECTION I, MAXIMUM QUANTITY ALLOWED ON A PURCHASE ORDER OF ANY SUB-SECTION (A-E) ITEM IS 880 CARTONS (1 truckload) . State agencies desiring larger quantities must submit purchase request for Office of State Procurement to bid. Cooperative purchasing participants may not exceed the 880 carton limit per purchase order on any sub-section (A-E). In the event of a market wide mill shortage or allocation effecting xerographic paper, orders for State agencies will be given priority. The term of the contract is for one year with an option to extend for an additional period up to the original term of the contract. This contract may be utilized by ALL STATE AGENCIES and Cooperative Purchasing participants only. The University of Arkansas' Printing Services at Fayetteville is excluded.

All items are bid F.O.B. destination. Agencies submit purchase orders direct to the contractor by fax or mail. Telephone orders are prohibited.

B. AWARDING INSTRUCTIONS:

This Invitation for Bid will be awarded to the lowest responsible, responsive bidder BY INDIVIDUAL SECTION TOTAL. Bidders must bid ALL ITEMS within a section to be considered. Bidders may bid one or all sections, as they choose.

Where bidders are allowed to bid both virgin and recycled stock on an item, a 10% preference will be applied to the approved recycled stocks. The price after application of the preference will be compared to the virgin price and the lower of the two will be considered. For definition of "recycled paper", see page 11 of this Invitation for Bid.

C. TERM:

The term of this contract is May 1, 2003 through April 30, 2004.

D. SELLING TO COOPERATIVE PURCHASING PROGRAM PARTICIPANTS:

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Arkansas Purchasing Law provides that local public procurement units (counties, municipalities, school districts, certain not-for-profit corporations, etc.) may participate in state purchasing contracts. The contractor(s) therefore agree(s) to sell to Cooperative Purchasing Program participants at the option of the program participants. Unless otherwise stated, all standard and special terms and conditions listed within the Invitation for Bid must be equally applied to such participants. Maximum and minimum order allowances will apply to such participants.

E. PRICE CHANGE CLAUSE:

All prices shall be firm for the first 90 days (3 months) of this contract. In the event a price change is authorized, such prices will remain firm for a period of not less than sixty (60) days.

This contract requires that the successful vendor, under separate cover, provide the Office of State Procurement with dated invoices from the respective mill(s) which show the actual cost of papers being supplied to the state. These invoices will serve as the basis for all price increases or decreases throughout the contract period, and will be kept in the strictest of confidence. Invoices dated after the contract award date must be provided with all paper price increase requests. For all other papers, invoices will be required within ten (10) working days after receipt of written request from the Office of State Procurement. These invoices must reference the State of Arkansas contract and be specific as to the brand and amount of paper shipped and the unit price paid.

Price increases, in the form of mill letters will be honored, however, these letters must be addressed to the merchant network and be reflective of an across the board increase to all distributors. Changes which are granted based upon a mill announced increase, must be authenticated by subsequent mill invoices. In those instances where announced mill increases are not evident on invoices, the State will take the necessary action to readjust unit prices and collect any overpayments.

Mill invoices will be reviewed regularly by the Office of State Procurement to determine if price decreases are warranted. The contractor will be notified in writing prior to any cost decrease announcement made by this office.

Mill letters must specify the brand of paper for which an increase is being announced and must relate the increase as a PER HUNDRED WEIGHT, rather than as a flat percentage. This applies to all sections of this contract with the exception of Section V, Carbonless. The vendor must also provide a list by item number of the papers that will be affected by the increase as well as the paper weight per thousand sheets, and the new unit cost. Requested increases will become effective within ten (10) working days after receipt of all required documentation.

F. MISCELLANEOUS CHARGES/ALLOWANCES:

1. Prior to any work being performed under this contract that will result in additional costs, written authorization must be obtained from the Office of State Procurement.

2. Any other costs incurred in production and not provided for in these instructions and specifications may be invoiced at "fair market " price as established by the Office of State Procurement. However, any additional costs incurred after contract award will not be used in determining the low bid. These costs may include, but are not limited to, halftones, author's

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alterations, extra composition, overruns, or any other unforeseen costs.

G. SUBSTITUTION OF BRAND:

Any substitutions of brand provided under this contract after award must be approved in writing by the Office of State Procurement prior to delivery. Brand substitutes must be in the same or higher GRADE with same or better brightness level. Any delivery of unauthorized substitutions will be considered contract default.

H. SUMMARY REPORTS BY VENDOR:

The contractor for each section is required to provide the Office of State Procurement with a summary report of the activity experienced under this contract each quarter (3 months)

The vendor must submit: (1) copies of each purchase order received under this contract (2) written summary by line item showing total quantity (cartons/ sheets/ bundles, sets, etc.) as well as dollar amount before sales tax. Reports must reflect quantities ordered in each quantity bracket, i.e. Items 34, 35, 36 (11" x 17" xerographic Paper) cannot be reported as one quantity total- 500 cartons. ORDERS FOR SECTION I must be re-capped separating STATE AGENCIES from COOPERATIVE PURCHASING PARTICIPANT ORDERS (i.e. school districts, cities, counties, municipalities, etc).

Summary reports will be due for each reporting quarter on the following dates:

Aug.11 2003/ Nov. 10, 2003/ Feb. 9, 2004/ May 10, 2004

Failure to comply with these requirements may be deemed as noncompliance with the provisions of the contract and may be grounds for exclusion of that contractor from participation in the next contract period.

I. EXTENSION CLAUSE:

Any contract awarded from the offering of these specifications will be subject to extension for a period not to exceed the original term of the contract. Any extension must be mutually agreed upon by the Office of State Procurement and the contractor. The Office of State Procurement will notify the contractor before expiration of the contract if an extension is requested. The price change clause will remain in effect for any agreed upon period of extension.

J. SPECIAL PACKAGING/SPECIAL PALLET REQUIREMENTS:

Mill packaged product must include label stating percentage of post-consumer content.

Packaging for reams and cartons shall be of sufficient strength and design to insure delivery to the user in damage free condition. All cartons must be labeled in a manner which clearly indicates carton contents. Some purchase orders may request "special packaging", i.e. wrapped in lots of 250, etc., which results in extra cost. All such additional charges must be approved by ordering agency to be added to vendor's invoice.

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Full pallet lots on mill provided pallets of varying sizes are acceptable at the majority of delivery locations as long as the pallet is of standard industry quality and construction.

Two exceptions to this provision are: (1) the Revenue Department (Joel Ledbetter Bldg.) in Little Rock. These orders must be delivered on 40" x 48" pallets (maximum height 51"). Approximately 10 pallets xerographic paper and approximately 6 pallets of letter size 25% rag bond are involved at this location per contract period. The contractor must adhere to these requirements, including provision of the wood pallet. Attempted deliveries on sub-standard pallets of unacceptable strength to any location by any contractor will be refused.

(2) the Tower Building at 323 Center Street, home to multiple State agencies, prohibits full pallet loads from being brought into the building to prevent damage to the marble flooring. Pallets must be broken outside and individual carton loads hand trucked into the lobby and loaded onto the elevator.

K. DELIVERY REQUIREMENTS:

All prices bid shall include inside delivery F.O.B. point of destination (ship to address on purchase order) as specified by ordering agency. Deliveries, after receipt of the purchase order, shall be as follows:

VIRGIN AND RECYCLED PAPER: (All sections)

UP TO 199 cartons: 10 working days after receipt of purchase order
200 - 880 cartons : 20 working days after receipt of purchase order

In the event conditions of paper availability on an industry level change during the contract period, the Office of State Procurement will give consideration to vendor requests for additional delivery time.

F.O.B. delivery is limited to ONE ADDRESS PER PURCHASE ORDER. If an agency or participant specifies multiple deliveries on one purchase order, that entity will be charged freight costs by most economical means of transportation for the lesser quantities, with the freight on largest quantity being F.O.B. destination per contract requirements. NOTE SPECIAL
PALLET REQUIREMENTS FOR ONE LOCATION, PARAGRAPH "K" ABOVE.

L. LIQUIDATED DAMAGES OR PENALTY:

1. All commodities furnished will be subject to inspection and acceptance after delivery. Failure to meet specifications authorizes the Office of State Procurement to cancel this contract or any portion of same and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor.

2. Liquidated damages imposed by the State against the contractor for failure to meet delivery schedule will be one percent (1%) of the invoice amount for each working day beyond the specified delivery time. The contractor shall be relieved of delays due to causes beyond his control such as acts of God, national emergency, strikes or fire. The Office of State Procurement will assess penalties for late delivery in all cases except those approved by the Office of State Procurement that relate to causes beyond the contractor's control. The contractor must notify in writing, on a timely basis, the Office of State Procurement of such developments stating reason, justification and extent of delay. Other

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liquidated damages provided for in this contract must be verified and approved in writing by the Office of State Procurement prior to application by the ordering agency.

3. When the time does not allow for reprinting or reordering, acceptance of an inferior commodity may result in a liquidated damage of up to 20% of the invoice price or \$500 whichever is smaller.

M. RE-STOCKING AND SPECIAL DELIVERY REQUESTS LIABILITY OF AGENCIES:

RESTOCKING FEES: Users of this contract are advised that returned orders may be subject to a re-stocking fee of varying amounts which may be passed from the mill to the paper distributor. This charge, at the option of the contractor, may be applied to those orders for papers which are returned to the mill. The re-stocking fee will be limited to 20% of the invoice amount for the returned item or a maximum of \$1,000 (not including original transportation costs and sales tax.) Agencies are advised to carefully check item descriptions to avoid incurring re-stocking fees.

SPECIAL DELIVERY REQUESTS:

"Inside delivery" is defined on this contract as physical delivery into the building by the driver to one specific room or area designated on the purchase order. This should not be construed to mean delivery to multiple areas or floors, opening cartons and stacking reams on shelves, requests for the driver to stock goods in areas where the use of conventional material handling equipment is not feasible or requests for cartons to be carried up flights of stairs in buildings where no elevator exists, etc.

Agencies requesting "special delivery services" may be subject to a surcharge from the vendor determined on a case by case basis. Agencies requiring special services are advised by the Office of State Procurement - to request a surcharge estimate from the vendor prior to purchase order submission. It will be the option of the contractor to provide the service and ascertain a surcharge for agency approval prior to submission of the purchase order.

"Recycled paper," as it applies to coated stock, shall mean any paper that contains not less than 10 percent (10%) postconsumer material by fiber weight; as it applies to uncoated stock, it shall mean any paper that contains not less than 20 percent (20%) postconsumer material by fiber weight.

CUTTING CHARGE: (All sections:)

Contractors will be allowed a cutting charge as follows: up to 100 lbs. of paper: \$8.00 flat charge. For 100 lbs. or more of paper: \$8.00 per hundred weight

OUTLINE AGREEMENT AWARD TERMS AND CONDITIONS

1. **GENERAL:** All terms and conditions stated in the invitation for bid govern this contract.

GENERAL CONDITIONS AND INSTRUCTIONS TO VENDOR:

All purchasing rules and regulations defined by the State of Arkansas apply to this document.

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Contact FLYNN REVELEY-XT3050
Your reference

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2. **PRICES:** Prices are firm and not subject to escalation, unless otherwise specified in the invitation for bid.
3. **DISCOUNTS:** All cash discounts offered will be taken if earned.
4. **TAXES:** Most state agencies must pay state sales tax. Before billing, the contractor should contact the ordering agency to find out if that agency must pay sales tax. Itemize state sales tax when applicable on invoices.
5. **BRAND NAME REFERENCES:** The contractor guarantees that the commodity delivered is the same as specified in the bid.
6. **GUARANTY:** All items delivered are to be newly manufactured, in first- class condition, latest model and design, including, where applicable, containers suitable for shipment and storage unless otherwise indicated in the bid invitation. The contractor guarantees that everything furnished hereunder will be free from defects in design, workmanship, and material; that if sold by drawing, sample or specification, it will conform thereto and will serve the function for which furnished. The contractor further guarantees that if the items furnished hereunder are to be installed by the contractor, such items will function properly when installed. The contractor also guarantees that all applicable laws have been complied with relating to construction, packaging, labeling, and registration. The contractor's obligations under this paragraph shall survive for a period of one year from the date of delivery, unless otherwise specified in the invitation for bid.
7. **AWARD:** This contract award does not authorize shipment. Shipment against this contract is authorized by the receipt of a purchase order from the ordering agency. A written purchase order mailed or otherwise furnished to the contractor results in a binding obligation without further action by either party.
8. **DELIVERY:** The term of the contract is shown on the face of the contract award. The contractor is required to supply the state's needs during this term. The number of days required to place the commodity in the receiving agency's designated location under normal conditions is also shown. Consistent failure to meet delivery without a valid reason may cause removal from the bidders' list or suspension of eligibility for award.
9. **BACK ORDERS OR DELAY IN DELIVERY:** Back orders or failure to deliver within the time required may be default of the contract. The contractor must give written notice to the Office of State Procurement and ordering agency of the reason and the expected delivery date. If the reason is not acceptable, the contractor is in default. The Office of State Procurement has the right to extend delivery if reasons appear valid. If the date is not acceptable, the agency may buy elsewhere.
10. **DELIVERY REQUIREMENTS:** No substitutions or cancellations are permitted without written approval of the Office of State Procurement. Delivery shall be made during agency work hours only, 8:00 a.m. to 4:30 p.m., unless prior approval for other delivery has been obtained from the agency. Packing memoranda shall be enclosed with each shipment.
11. **STORAGE:** The ordering agency is responsible for storage if the contractor delivers within the time required and the agency cannot accept delivery.

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12.DEFAULT: All commodities furnished will be subject to inspection and acceptance of the ordering agency after delivery. Default in promised delivery or failure to meet specifications authorizes the Office of State Procurement to cancel this contract or any portion of same and reasonably purchase commodities elsewhere and charge full increase, if any, in cost and handling to the defaulting contractor.

13.VARIATION IN QUANTITY: The state assumes no liability for commodities produced, processed or shipped in excess of the amount specified herein.

14.INVOICING: The contractor shall submit an original and two copies of an itemized invoice showing the bid number and purchase request number when itemized in the invitation for bid. Invoices must be sent to "Invoice to" point shown on the purchase order.

15.STATE PROPERTY: Any specifications, drawing, technical information, dies, cuts, negatives, positives, data or any other commodity furnished to the contractor hereunder or in contemplation hereof or developed by the contractor for the use hereunder shall remain property of the state, be kept confidential, be used only as expressly authorized, and be returned at the contractor's expense to the F.O.B. point, properly identifying what is being returned.

16.ASSIGNMENT: This contract is not assignable nor the duties hereunder delegable by either party without the written consent of the other party to the contract.

17.OTHER REMEDIES: In addition to the remedies outlined herein, the contractor and the state have the right to pursue any other remedy permitted by law or in equity.

18.LACK OF FUNDS: The state may cancel this contract to the extent funds are no longer legally available for expenditures under this contract. Any delivered but unpaid for goods will be returned in normal condition to the contractor by the state. If the state is unable to return the commodities in normal condition and there are no funds legally available to pay for the goods, the contractor may file a claim with the Arkansas Claims Commission. If the contractor has provided services and there are no longer funds legally available to pay for the services, the contractor may file a claim.

19.QUANTITIES: The state may order more or less than the estimated quantity in the invitation for bid.

20.DISCLOSURE: Failure to make any disclosure required by the Governor's Executive Order 98-04, or any violation of any rule, regulation, or policy adopted pursuant to that order, shall be a material breach of the terms of this contract. Any contractor, whether an individual or entity, who fails to make the required disclosure or who violates any rule, regulation, or policy shall be subject to all legal remedies available to the agency.

GENERAL CONDITIONS AND INSTRUCTIONS TO VENDOR:

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